

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1779 – SB 1464

April 4, 2011

SUMMARY OF AMENDMENTS (005595, 004826): Deletes the original bill. Defines “participating provider” and “covered services.” Prohibits an insurer, dental service plan, third party administrator, or other party that covers any dental services or a contract or participating provider agreement with a dentist from requiring a dentist to provide services to covered individuals at a fee set by the insurance entity unless the services are covered services under the plan or contract. Exempts the TennCare program and the CoverKids program from the provisions of the bill.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation will not result in a significant increase in the cost of health insurance premiums for dental services.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

Assumptions applied to amendments:

- The Department of Commerce and Insurance will be responsible for administration and enforcement of the bill as amended which will be accomplished through the receipt and investigation of complaints. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- According to the Department of Finance and Administration, the dental plans offered to participants in the state sponsored public sector health plans are optional and the employee pays all coverage; therefore, no fiscal impact to the state sponsored plans.
- Local governments that offer dental health coverage that are not part of the state sponsored health plans will be set up similarly as the state dental benefit program. Any impact to local governments will not be significant.

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- Private sector health premium impact: The provisions of the bill will not result in a significant increase in the rates paid to dental providers within private health insurance networks. Without a significant rate increase, premiums will not significantly increase.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml